

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Donald Bruce McDugle)	Art Unit:	3617
Serial No.	10/726,465)	Examiner:	Ed Swinehart
Filed:	December 02, 2003)	Cust. No.	22931
For:	BOAT THRUSTER)	Attorney	Robert B. Hughes
	APPARATUS AND METHOD)	Ref. No.:	P114519

MAIL STOP AMENDMENT
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Date: September 6, 2006

/ Barbara Galloway /
Barbara Galloway

DECLARATION

I, Donald Bruce McDugle, having a home address of 1319 - 15th Street, Anacortes, Washington 98221, state and aver the following:

1. I am one of the co-inventors in the above noted patent application, namely U.S. Patent Application S.N. 10/726,465, entitled "Boat Thruster Apparatus and Method", which was filed on December 2, 2003, and claims the benefit of an earlier filed provisional application, containing substantially the same subject matter as in the later above noted patent application, this provisional application having been filed on December 6, 2002.

2. In the latter part of July, or early part of August, of 2004, I was asked by Mr. Robert Hughes, who is the patent attorney who has prepared and filed both the above noted provisional application and the above-noted non-provisional application, to provide certain information relating to the conception and development of the subject matter of the above provisional application and the present follow-on application. I provided Mr. Hughes with the information, and he assembled the information in the form of a Declaration. I reviewed that Declaration prepared by Mr. Hughes to see if any corrections and/or additions should be made, and I signed that Declaration on August 23, 2004. I understand that the Declaration was submitted, along with other documents, to the U.S. Patent and Trademark Office for entering this into the record of the prosecution of the above-noted non-provisional application.

3. I have now been asked by Mr. Hughes to provide some additional information to supplement my Declaration signed on August 23, 2004. In providing the additional information I will in some instances be making reference in this present Declaration to information that is disclosed in the earlier Declaration. Accordingly, for the convenience of the reader, all of the pages of my earlier

August 23, 2004, Declaration are being attached to this present Declaration which is now being prepared,

4. Mr. Hughes has asked me to again review particularly the subject matter of Sections 4 through 12 of my earlier August 23, 2004, Declaration, and more specifically, relative to the proposed design where the thruster has what I call a "shroud" or "shield", this being the design that Mr. Murch selected when he came to see me in September of 2001. I completed that review, and Mr. Hughes has asked me the following question.

"If Mr. Murch had not contacted you in September of 2001, did you have sufficient confidence at that time (i.e., September of 2001) in the design of a thruster with the "shroud design" installed on the thruster so that you would believe it would be a sensible commercial venture for you or someone else to contact a possible customer to sell him a thruster with this shroud design which has yet to be designed and manufactured?"

5. My answer to Mr. Hughes' question in the above section 4 is "absolutely not", and I think that is very clear from the statements I have made in my earlier Declaration. However, before giving my

reasons for this answer, I believe it would be helpful for the reader of this Declaration to first review at least Sections 7 through 8 of my earlier Declaration.

6. To now give an explanation for my answer of “absolutely not” that appears in the first sentence of Section 5 of this declaration, first, I would like to point out that I did not solicit a sale from Mr. Murch. Rather Mr. Murch had contacted me because he had heard that I had some expertise in this field of thrust reverse, and I first told him of some possible designs that I had thought of off and on.

7. When Mr. Murch decided he was interested in the “shroud design”, as indicated in Section 8 of my earlier Declaration, I was honest with Mr. Murch that I did not know whether or not this approach of the “shroud design” would work properly, work poorly, or not work at all. Accordingly, when we made the arrangement where I would be paid Nine Thousand Seven Hundred Dollars (\$9,700.00) for labor and materials, and we also agreed that even if it did not work at all, I would still get paid the Nine Thousand Seven Hundred Dollars.

8. For me it was great opportunity, in that if this experiment turned out to be a total bust, I would still get paid at least for my initial wages. However, I was still taking some financial risk, and maybe a

substantial financial risk, since I could have been obligated to do some follow on work on redesign, repair, try other configurations, etc. with no payment for wages. Therefore, in answer to Mr. Hughes' question, I not only would not feel justified in soliciting a customer to sell him a thruster under the circumstances recited above, but I think it would be rash for me or anyone else to do so.

8. Mr. Hughes has also asked me to answer this question,
- “Were you motivated to enter into the arrangement with Mr. Murch more as a commercially beneficial arrangement for you or were you motivated more as an experimental arrangement to test the design and also develop it.”

Without a doubt, my answer is that substantially my entire motivation was for purposes of experimentation and I believe that is very clear from my earlier Declaration. I also had to recognize that it was quite possible I could have been obligated to put in many more hours than the hours for which I was being paid out of the Nine Thousand Seven Hundred Dollars agreed upon if I had to do further design and experimentation. In fact, if the situation were such that Mr. Murch had not immediately taken the thruster as it was and

driven off, I would have gone on with further experimentation with the thruster on his boat (as I did later) before I had a commercially viable product.

I, Donald Bruce McDugle, hereby declare that all statements made herein of my own knowledge are true, and that all statements made on information and belief are believed to be true; and, further, that these statements are made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application thereon.

EXECUTED this 6 day of September, 2006.

Donald Bruce McDugle
Donald Bruce McDugle